

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
January 29, 2011

1. The meeting was called to order by Association President, Mark Nagel. Also present from the Board were Pat O'Hara, Gloria Williamson, Glen Johnson, Doug Johnson, Daryl Luthens, Bob Edstrom, and Terry Miller. Ad Hoc Committee members present were Laura Johnson, Dennis Nordstrand, Roy Jensen, Rob Hanson, and Chuck Standfuss. Steve Wagner and Joseph Lanz were absent. Denny Steele, owner, Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the Minutes of the Board Meeting held October 23, 2010, and of the Meeting Before the Annual Meeting, Annual Meeting, and Meeting Following the Annual Meeting held November 21, 2010. The motion carried.
3. Appointment of Board Member – Jim Kirkpatrick resigned from the Board effective December 1, 2010 leaving a vacancy. Both Dennis and Rob volunteered to fulfill Jim's term so a vote was conducted by written ballot. Following the outcome of the vote, a motion was made and seconded to accept Jim's resignation and appoint Dennis to the Board. The motion carried. Terry explained that because of other commitments, he did not feel he would have the time to properly serve as Association Treasurer so resigned from this position. Following discussion, a motion was made and seconded to accept Terry's resignation and elect Dennis as Treasurer. The motion carried.
4. Committee Reports:
 - A. Finance Committee – Neal reported that the year-end cash is down approximately \$200,000. This is mainly due to the lack of developer income. The Association receivables are up and the number of delinquent owners has grown. The economy is a major factor. He reviewed the collection procedures. Most of those weeks that are delinquent are available for rent. There may be a need for a more aggressive rental program in the future. It was suggested that the nightly room rate used by the Association may be too high.
 - B. House and Grounds Committee – Glen commented that they will need another person on this committee and asked Neal to explain the roof/leak problem that occurred in unit 15/16. He explained that because of a lack of insulation and improper venting of the plumbing in the original construction, heat from the crawl space was allowed into the attic causing major condensation and ice buildup which began deteriorating the unit's structure. To date, it has cost approximately \$15,500 to fix just units 15/16.

The contractor feels there is a way to properly insulate the other buildings (units 11/12, 17/18, 19/20) that have been identified to be similar to unit 15/16 to prevent this type of leaking in the future. Following discussion, a motion was made and seconded to approve funding and proceed with repairing the three attic/roofs to solve the condensation and leak problems. The units should be repaired one unit at a time and completed by May 31st. The motion carried. Neal also mentioned that a representative from Build-All Lumber was going to come out and do an InfraRed test which would identify heat loss in the units. This was being done at no cost because the materials to complete 15/16 were purchased there.

- C. Communications Committee – Pat reported that the Bylaws and Declarations were posted on the Association web-site along with RCI weeks calendars for 2011 – 2015. Meeting dates and times were also updated. Minutes and Financials will be posted as approved and completed.
 - D. Policy Committee – There was nothing new to report.
5. Management Report:
- Neal reported that there has not been much progress on the GLRC issue. The bank feels the solution may still be converting those units to whole ownership. He presented a budget format he had worked on based on a percentage of the Association budget. The bank would like an agreement with the Association stating that they would accept the budget format reviewed. Following discussion, a motion was made and seconded directing Dick to write a letter of understanding with the budget Neal prepared and e-mail it to the Board for feedback. The officers are then authorized to finalize the agreement before Neal presents it to the Bank. The motion carried.
 - Neal reported that Vacation Ownership For Less Inc. is the new corporation that was formed to complete resales. There was discussion regarding details of the upcoming resale program.
6. Old Business:
- A. Dick updated the Board on the registration process with the Minnesota Department of Commerce.
 - B. May 10, 2011 will be the end of the redemption period for those weeks currently going through the foreclosure process.
7. New Business:
- A. Following discussion, a motion was made and seconded to renew Dick’s attorney retainer agreement as proposed and authorize Mark to sign. The motion carried.
 - B. LeAnne will work on Interval International memberships for the Board.
 - C. Mark will contact everyone with committee assignments.
8. A motion was made and seconded to adjourn. The meeting adjourned

Shortly after this meeting, the Board was saddened to hear the news that Jim Kirkpatrick past away. Among other positions of leadership, Jim was a former State Commissioner of Human Rights. He was a valued and respected member of this Board and will be missed. Condolences were sent on behalf of the Board.